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BY ELECTRONIC MAIL

June 29, 2023

Ms. Anaís Rodríguez Vega
Secretary
Department of Environmental and Natural Resources

Re: Tetrad Enterprises, LLC

Dear Ms. Rodríguez Vega,

In accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed amendment to the contract between the Department of Environmental and Natural Resources (the “DNER”) and Tetrad Enterprises, LLC (the “Proposed Amendment”).

After reviewing the Proposed Amendment, the Oversight Board concludes “Approved with Observations.” Observations related to the Proposed Amendment are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Amendment with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Amendment or the original contract must be submitted to the Oversight Board for review and approval **prior to execution**.

Ms. Rodríguez Vega

June 29, 2023

Page 2 of 2

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to the DNER and solely with respect to the Proposed Amendment.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

(Page A-1)

DNER – TETRAD ENTERPRISES, LLC

Fiscal Plan Alignment

This review covers the Proposed Amendment to the contract between the DNER and Tetrad Enterprises, LLC for the supply of submergible hydraulic pumps and fuel for ten flood control pump stations managed by the DNER.

The original contract was approved with observations by the Oversight Board on May 3, 2023 and contemplated the rental of submergible hydraulic pumps for the DNER's ten flood control pump stations, as well as bypass pump operations, maintenance, equipment and fuel, from its date of execution until June 30, 2023. It had a maximum payable amount of \$4,902,627.88.

The Proposed Amendment has a term from July 1, 2023 until **August 31, 2023** and a maximum payable amount of **\$4,902,627.88** payable from **Account Nos. E2670-111-0500000-0001-003-2023 (\$4,000,000); E2670-111-0500000-0001-003-2023 (\$183,450); E2670-111-0500000-1323-003-2023 (\$16,500.98); E2670-111-0500000-3085-003-2023 (\$8,153.72); E2670-111-0500000-3083-003-2023 (\$9,275); E2670-111-0500000-1068-003-2023 (\$54,453.60); E2670-264-0500000-003-2023 (\$202,264.26); E2670-254-0500000-003-2023 (\$98,691.70); E2670-220-0500000-003-2023 (\$129,838.62); and E4232-264-0500000-010-2023 (\$200,000).**

The DNER has certified that the funds required for payments under the Proposed Amendment are allocated in the corresponding accounts.¹ As such, the Oversight Board's review indicates that the DNER has sufficient budgeted funds to cover the cost of the Proposed Amendment as of the date of this letter.

This determination does not consider the extent to which total available funds will be subsequently encumbered by the DNER throughout the Proposed Amendment's term. Consequently, we rely on the DNER's budget certification for purposes of this review.

The DNER is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A (Contract Submission Questionnaire) and to request a re-review of the Proposed Amendment should any changes occur.

This review was conducted on the basis of information submitted by the DNER. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.

¹ The accounts were extended through June 30, 2024, pursuant to Budget Reprogramming Request 2023-57192 through June 30, 2024.